

PAL finds the diamonds in the rough

Paint accessories firm Paint Aids Limited (PAL) knew that 20% of its products were delivering 80% of its returns - but had no way of identifying that 20%. Manufacturing set-up costs mean that product lines with low returns are a major drain on profitability – so identifying these “diamonds in the rough” was a serious concern.

The problem

For more than four decades, PAL has used Kiwi ingenuity to manufacture a wide range of innovative paint accessories. By 2006, its range had grown to include a dizzying number of products, including externally-sourced brushes, rollers, paint pads and other trade and retail accessories. The products were finding their way to a very diverse customer base, and things were getting a little out of hand. The company couldn't be certain which product lines and customers were profitable, and which were not.

PAL Finance Manager Steve Morriss recalls that to regain control, “we wanted to focus on the 20% of the business that was responsible for 80% of the returns. That meant reviewing the entire product range and understanding our customer mix, product mix and volumes.”

The first step PAL took was to replace its ageing ERP package with Microsoft Dynamics AX. This did not solve the problem, however, because the information within Microsoft Dynamics needed to be aggregated intelligently for it to become meaningful.

The solution

After evaluating other options and seeking feedback from existing users, PAL asked FDL to implement the TARGIT Business Intelligence Suite. TARGIT brings together information that is recorded in various places, which gave PAL staff full visibility of some key metrics for the first time. Morriss says that TARGIT's core functionality was up and running within a month.

“DIFOT [delivery in full on time] is a good example of the key metrics that we were suddenly able to track, as a result of FDL's work,” says Morriss. “TARGIT measures DIFOT by analysing data from three separate documents within Microsoft Dynamics – sales orders, picking slips and delivery notes. Each document only tells part of the story, For instance, we don't want items that are out of stock to appear on the picking slip, even if it was on the sales order, because then warehouse staff would be looking for items that aren't there.”

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— Steve Morriss, PAL Finance Manager, Paint Aids Limited

The outcome

Once TARGIT was up and running, PAL could immediately analyse and compare the performance of various product ranges. The project has also ensured that PAL is able to live up to its mission: to provide customers with ‘the perfect finish’. Says Morriss: “FDL has helped us make sure that we have the right stock at the right time – which means that our customers get the best product for their needs.”

TARGIT has helped PAL to:



- > identify products with low sales and manufacturing volumes
- > reduce stock levels
- > track and optimise DIFOT – a metric monitored by major customers.

TARGIT business intelligence tools help people make better decisions. TARGIT Business Intelligence Suite transforms company data from almost any source into intelligent dashboards and insightful reports - with fewer clicks than any other tool on the market. And since it's so simple to use, everyone in the organisation gets the perspective they need to keep performance on track.

TARGIT. From data, to information, to insight. www.targit.com

